



**U.S. Department of Justice**

***United States Attorney  
Northern District of New York***

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**January 19, 2011**

**PRESS RELEASE**

Richard S. Hartunian, United States Attorney for the Northern District of New York, and Clifford C. Holly, Special Agent in Charge, Albany Division - Federal Bureau of Investigation, make the following announcement:

As a result of an investigation by the Federal Bureau of Investigation, Thomas E. Kelly, 63, of Johnson City, New York, was charged today in federal court, Binghamton, with Mail Fraud.<sup>1</sup> The defendant appeared before United States Magistrate Judge Andrew T. Baxter, who ordered the defendant released under the supervision of the United States Department of Probation.

The criminal complaint alleges that the defendant, for the past 15 years, perpetrated a scheme to defraud investors out of funds totalling almost \$1,000,000. Since the early 1990's, Kelly was employed as a financial consultant. Kelly worked for Chase Bank and, later, M&T Bank. Unbeknownst to M&T Bank, Kelly sold a number of customers investment products offered by Seneca Financial/Seneca Group, which actually was Kelly. Kelly concealed his relationship with Seneca Financial/Seneca Group from his investors and employers. In addition, Kelly made false representations to investors as to where their money would be invested. The loss to investors is approximately \$1,000,000.

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<sup>1</sup> The complaint is only an accusation, and the defendant is presumed innocent unless and until proven guilty.

The defendant faces a maximum penalty of 5 years imprisonment and a \$250,000 fine. The case is being prosecuted by Assistant United States Attorney Thomas P. Walsh. Further inquiries may be directed to the United States Attorney's Office, Binghamton branch office, at (607) 773-2887.

Anyone who invested funds with Seneca Financial or Seneca Group is requested to contact the Binghamton, NY office of the Federal Bureau of Investigation at 607-722-5321.